

INFORMATION ABOUT THE STATE OF TENNESSEE'S SETTLEMENT WITH FAIRFIELD GLADE COMMUNITY CLUB, A TENNESSEE NONPROFIT CORPORATION

GENERAL STATEMENT ABOUT SETTLEMENT

The Tennessee Attorney General's Office and the Tennessee Division of Consumer Affairs entered into an Assurance of Voluntary Compliance with Fairfield Glade Community Club, the property owners' association ("Community Club") for the Fairfield Glade resort near Crossville, Tennessee. The settlement was approved by the Honorable Judge Amanda McClendon on September 29, 2006. The developer at Fairfield Glade, Fairfield Resorts, Inc., entered into a separate agreement on August 29, 2006. The Community Club denied wrongdoing in the settlement but the Club is forgiving and will not and cannot seek to collect delinquent assessments in the approximate amount of Two Million Two Hundred Thousand Dollars (\$2,200,000) from property owners. Prospectively, the Club will design and implement a tiered assessment program differentiating the amount of assessment to be based on the level of development of the consumer's lot. This tiered assessment system will not include developers and investors. The members who own lots with no improvements will pay the least, if any, assessments to the Club.

QUESTIONS AND ANSWERS ABOUT THE SETTLEMENT'S CONSUMER RELIEF PROGRAM

Q: Am I eligible for the Club's forgiveness of my delinquent assessments even if I own my lot?

A: Yes. For those assessments prior to December 31, 2005, you will be given a clean slate for those delinquent assessments.

Q: What if my assessments have been continuously delinquent for a period of one year, up to September 29, 2006? Is the Club forgiving my assessments too?

A: Yes. Unless your lot has an existing residence, paved roads providing full access to your lot and economically feasible access to sewer, all of your delinquent assessments will be forgiven. The Community Club is forgiving that debt and will not and cannot seek to collect the delinquent assessments.

Q: If I am eligible under Tennessee's agreement with the developer, Fairfield Resorts, Inc., will I be eligible for forgiveness of delinquent assessments too?

A: Yes. If you are eligible under the settlement with FRI, you are also eligible for forgiveness of delinquent dues under this settlement.

Q: If I am exchanging my lot for a developed lot under the state's settlement with Fairfield Resorts, Inc., when do I begin paying assessments?

A: Your assessments cannot accrue until ownership of your new, developed lot commences by recording of the deed.

Q: What if the club filed a negative comment on my credit report because of delinquent dues?

A: The Club will correct a credit report if a negative entry has been made due to your delinquent assessments.

Q: How will I know that my delinquent assessments have been forgiven?

A: Within (30) days of September 29, 2006, the Club will mail a letter to all lot owners whose accounts have received a credit or forgiveness of assessments. You will be advised of the opportunity to have a credit report corrected. You will receive an entire copy of the Assurance of Voluntary Compliance approved by the Court.

Q: Why am I not getting back any of the dues I paid to the Fairfield Glade Community Club?

A: Since the Community Club is a non-profit entity run by its members, the state understands from the Community Club that refunds for past dues would have to be paid by the members themselves and would have taken money away from money allocated for development and would have been cost prohibitive.

Q: Can I find out if my name is on the list of consumers eligible to receive the notice package?

A: You should contact Fairfield Glade Community Club to find out if you are on the list. However, you should wait until October 30, 2006 since that is when the list should be finalized to implement a refund program. The contact information for Fairfield is:

Telephone: (931) 484-3780

Mailing address: Fairfield Glade Community Club.
7827 Peavine Road
Fairfield Glade, Tennessee 38558
Attn: Harvey Hoffman

Q: What will my assessments be under the new tiered system?

A: The club will develop the tiered dues system. The Attorney General's Office does not know what amount, if any, consumers will pay. But, the Club assignment amount must be based on the particular lot's level of development. With those without improvements paying the least, if any amount at all.